

(e) The Government of India proposes to increase economic cooperation through regular exercises such as Joint Commission meetings and Joint Working Group meetings in the field of Coal and Mines etc. undertaken by different Administrative Ministries/Departments in the Central Government, as also by identifying various projects for coverage under future Indo-French Protocol financing.

As regards steps to increase the Indo-French Cultural cooperation, Draft of the next Cultural Exchange Programmes for the years 1997, 1998 and 1999 has been prepared and sent to the French side for their response, to enhance cultural cooperation during the next three years.

[English]

Norms for Overseas Investment

1242. DR. KRUPASINDHU BHOI : Will the Minister of COMMERCE be pleased to state :

(a) whether the Reserve Bank of India (RBI) has further liberalised the norms for overseas investments;

(b) if so, the details of new guidelines formulated in this regard; and

(c) the date from which the new guidelines are going to be made effective?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c) Based on the Government of India's Notification dated 7.11.96, the RBI have implemented liberalized norms for overseas investments. These relaxations include : (i) extending the benefit of the Fast Track Route under the scheme also to those Indian Corporates which have foreign exchange earnings other than exports earnings, (ii) taking into account the export performance/foreign exchange earnings of the parent or subsidiary company of those applicants, which do not have the requisite export/foreign exchange earning track record for Fast Track clearance, (iii) computation of the period of five years for pay-back of investments by way of dividends, fees, etc. with effect from the date of remittance of equity rather than the date of approval of the investment. Besides, the mandatory requirement of obtaining a project/feasibility report from the designated agencies for submission of application to the Reserve Bank has been dispensed with; instead, a statement from a Chartered Accountant verifying the ratios/projections is only to be furnished.

Some additional norms for overseas direct investment in the financial sector have also now been prescribed. Financial service companies proposing to set up joint ventures/subsidiaries abroad will have to meet the following additional requirements :

(a) They should have a good track record of a minimum of three years and should be

registered with the Securities and Exchange Board of India as a Category-I Merchant Banker or with the Reserve Bank of India as a Non-Banking Finance Company.

(b) They should have a minimum network of Rs. 15 crores.

(c) They must fulfil the prudential norms of capital adequacy ratio of 8 per cent.

Subsidiaries of Indian financial institutions which conform to the above norms are also eligible to apply for overseas investment.

Public Issue of Bank of India

1243. SHRI RAMASHRAYA PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether Bank of India will open a public issue;

(b) if so, the details thereof; and

(c) the total profit earned by it during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) Bank of India's Equity issue of 15,00,00,000 shares amounting to Rs. 675/- crore opened on 21.02.1997. The closing date is 28.02.1997. Equity shares are offered at Rs. 10/- per share with a premium of Rs. 35/- per share leading to an issue price of Rs. 45/- per share.

(c) The profits earned by Bank of India during the last 3 years are as under :

Year	Operating Profit	Net Profit (Rs. in crores)
31.3.94	164.69	(-) 953.50
31.3.95	317.09	50.35
31.3.96	473.86	276.48

(-) signifies loss.

Cotton Stocks

1244. SHRI NARAYAN ATHAWALAY : Will the Minister of TEXTILES be pleased to state :

(a) whether stocks of cotton are piling up due to bumper crop during the current year and slow releases of export quotas and less demand by the textile mills as compared to last year;

(b) if so, the details thereof; and

(c) the target set for export of cotton during the current year and the quota released to the State Governments so far, State-wise?